

APPENDIX 3

Non-Technical Summary

Land west of The Mushrooms Factory, Thakeham, Pulborough

Viability Assessment Non-Technical Summary

- 1.1. The Structure of the Residual Appraisals produces a Residual Land Value (RLV) which is then compared with an appropriate Benchmark Land Value (BLV). If the RLV exceeds the BLV, a surplus is generated and the scheme can be deemed “Viable”. However, if the RLV is less than the BLV, a deficit is produced and the scheme should be considered “Non-Viable”.
- 1.2. The inputs adopted within the analysis can be seen within the summary table below compared with the Horsham District Council Local Plan Viability Study published in November 2023, produced by Aspinall Verdi.

Input:	Assessment Allowance:	Local Plan Viability Allowance:
Market Revenues	£469per ft2	£403 - £530 per ft2 (Lower Value Zone)
Affordable Revenues	45% of OMV Aff Rent / 65% of OMV Shared Own	60% of OMV Aff Rent / 70% of OMV Shared Own
Fees and Marketing (Market):	3.25%	2.25%
Transaction Costs (Affordable):	1.0%	N/A
Standard Construction Costs:	Median BCIS	Median BCIS
Contingency	5%	3% - 5%
Externals	10%	15%
Professional Fees:	8%	10%
Developer Profit:	20% (Market Housing GDV) / 6% (Aff Housing GDV)	17.5% (Market Housing GDV) / 6% (Aff Housing GDV)
Finance Rate:	7.5%	7%
Benchmark Land Value:	£150k per gross acre	£300k - £350k per gross acre

Summary Conclusions

Scenario	Total Units	GDV	Total Costs	RLV	BLV	Surplus / Deficit
35% Affordable	150	£78,446,062	-£76,814,141	£1,631,922	£5,297,993	-£3,666,071

- 1.3. In this instance, as one can observe from the above summary table and the appraisal analysis included as Appendix 2, the RLV of the proposed scheme at 35% affordable housing does not exceed the adopted BLV. On this basis the scheme can be considered technically “Non-Viable”.

Turner Morum

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